



**City of Tucson**  
**Independent Audit and Performance Commission**

July 10, 2019

Subject: Report to Mayor and Council: Commission Activities for the Period of January 2019 through June 2019

Honorable Mayor and Council:

The attached report provides information on the City's Independent Audit and Performance Commission (IAPC) activities between January 1, 2019 and June 30, 2019. During this period, the IAPC conducted six regular meetings and issued the following reports:

- A report to the Mayor and Council dated January 9, 2019 regarding IAPC activities from July 1, 2018 through December 31, 2018.
- A report to the Mayor and Council dated June 5, 2019 regarding the IAPC's review of the City's Fiscal Year 2018 Comprehensive Annual Financial Report.
- A report to the Mayor and Council dated June 5, 2019 regarding the City's Fiscal Year 2020 Internal Audit Plan.

Commission members appreciate the opportunity to provide the Mayor and Council with the review of relevant issues. Please contact your appointee to the Commission or the City Manager should you have topics you would like the Commission to review.

The Commission appreciates the support of Chief Financial Officer / Assistant City Manager Joyce Garland, Principal Internal Auditors Aaron Williams and Robert Kulze, and Administrative Assistants Elizabeth Caiz and Carmen Garza.

Respectfully Submitted,

Dennis W. Woodrich  
IAPC Chairperson

c: Michael Ortega, P.E., City Manager  
Albert Elias, AICP, Assistant City Manager  
Joyce Garland, CPA, Chief Financial Officer / Assistant City Manager  
City Clerk's Office, Boards and Commissions  
Independent Audit and Performance Commission

Attachment:

Report to Mayor and Council: Commission Activities – January through June 2019

## **INDEPENDENT AUDIT AND PERFORMANCE COMMISSION REPORT ON ACTIONS AND ACTIVITIES JANUARY 1, 2019 THROUGH JUNE 30, 2019**

The following is a summary of Independent Audit and Performance Commission (IAPC) actions and activities from January 1, 2019 through June 30, 2019. The Commission held six regular meetings during this period.

### **Reports and Letters issued by the Commission:**

- A report to the Mayor and Council dated January 9, 2019 regarding IAPC activities from July 1, 2018 through December 31, 2018.
- A report to the Mayor and Council dated June 5, 2019 regarding the IAPC's review of the City's Fiscal Year 2018 Comprehensive Annual Financial Report.
- A report to the Mayor and Council dated June 5, 2019 regarding the City's Fiscal Year 2020 Internal Audit Plan.

### **Commission Activities:**

#### **January 9, 2019 Meeting**

- Staff Update: Chief Financial Officer / Assistant City Manager Joyce Garland
- Discussion of Previously Issued IAPC Transit Reports: Chairperson/Mayor Appointee Jeff Singleton
- Discussion of Potential Items for Review by the IAPC: Chairperson/Mayor Appointee Jeff Singleton
- IAPC Six-Month Activities Report to Mayor and Council for the Period of July - December 2018: Principal Internal Auditor Robert Kulze
- FY 2019 Internal Audit Plan – Second Quarter Update: Principal Internal Auditor Robert Kulze

#### **February 19, 2019 Meeting**

- Staff Update: Principal Internal Auditor Aaron Williams
- Small Business Enterprise Program: Contract Administrator Victoria Cortinas, Business Enterprise Compliance Specialist Margot Grossman, Business Enterprise Compliance Specialist John Yslas
- Discussion of the IAPC's Authority, Functions, and Duties: Chairperson/Mayor Appointee Jeff Singleton

#### **March 6, 2019 Meeting**

- Staff Update: Chief Financial Officer / Assistant City Manager Joyce Garland
- FY2017 Federal Transit Administration (FTA) Triennial Review: Transit Services Coordinator John Zukas
- Debt Management: Chief Financial Officer / Assistant City Manager Joyce Garland

#### **April 3, 2019 Meeting**

- Staff Update: Chief Financial Officer / Assistant City Manager Joyce Garland
- Overview of the FY 2018 Comprehensive Annual Financial Report: Finance Administrator Silvia Navarro, Finance Manager Kim Baker
- Overview of the FY 2020 Budget Process: Chief Financial Officer / Assistant City Manager Joyce Garland
- FY 2019 Internal Audit Plan – Third Quarter Update: Principal Internal Auditor Robert Kulze

**May 1, 2019 Meeting**

- Staff Update: Chief Financial Officer / Assistant City Manager Joyce Garland
- Discussion of the IAPC's Review of the Fiscal Year (FY) 2018 Comprehensive Annual Financial Report (CAFR) and FY 2018 Single Audit Report: Vice Chairperson/Ward 4 Appointee Brian Andrews, Finance Administrator Silvia Navarro, Finance Manager Kim Baker
- Announcement of Election of IAPC Officers: Principal Internal Auditor Robert Kulze
- Discussion about the Open Meeting Law: Principal Internal Auditor Robert Kulze

**June 5, 2019 Meeting**

- Staff Update: Chief Financial Officer / Assistant City Manager Joyce Garland, Principal Internal Auditor Robert Kulze
- Nomination and Election of IAPC Officers: Chairperson/Mayor Appointee Jeff Singleton, Principal Internal Auditor Robert Kulze
- Discussion of the FY 2018 Comprehensive Annual Financial Report (CAFR) to M&C – Draft Report: Chairperson/Ward 1 Appointee Dennis Woodrich
- Proposed Internal Audit Plan for FY 2020: Principal Internal Auditor Robert Kulze
- Update about the Industrial Development Authority: Principal Internal Auditor Aaron Williams
- Presentation of Information about the City's Transit Task Force: Commissioner/Ward 2 Appointee Mark Crum, Principal Internal Auditor Robert Kulze

**Internal Audit Activities Reported to the Commission:**

Internal Audit:

- Provided staff support and facilitated six regular meetings of the IAPC.
- Provided assistance by reviewing the City's Street Furniture Advertising Program contract and the vendor's audited financial statements.
- Provided consulting for the Advantage 3.11 upgrade, specifically, to facilitate training and communications and to provide comment on internal controls.
- Conducted a review of the Tucson Police Department's activities related to the Operation Stonegarden Grant Program.
- Conducted a review of the Tucson Police Department's timekeeping records related to the department's on-duty wellness program.
- Provided assistance in the implementation of the OpenGov government budgeting and planning software by designing and advising on chart of account structure, existing process improvement and data classifications.
- Provided assistance to Parks and Recreation Department staff regarding City policies and best practices relating to cash handling.
- Provided assistance by consulting with Tucson Water Department staff about the retention and sufficiency of documentation relating to purchase card transactions.
- Reviewed ERP system user guides for available upgrade options and recommendations on which additional functionality could be implemented with the system upgrade. Provided input on the timeline of when and how the selected upgrade options will be implemented.
- Conducted a review of City Contract No. 140981, Tucson Convention Center Management and Operations, to examine the vendor's compliance with contract requirements.
- Provided assistance by advising Business Services Department staff during the reorganization of accounting operations and the preparation of annual financial statements.
- Provided assistance by reviewing the service contract and analyzing the related financial information of the Reid Park Zoo Gift Shop.
- Provided assistance to the KRONOS timekeeping system implementation team, specifically to review and provide comment on the internal control and reporting capabilities available in the system, and to facilitate departmental process reviews.

- Evaluated billing statements for parking services provided to the State of Arizona.
- Provided assistance with account structure design related to the Parks and Connections bond package.
- Analyzed time worked records of Tucson Police Department staff.
- Provided on-going consultation for process improvements and organizational structure at the Housing and Community Development Department.
- Provided on-going assistance by reviewing the City's process to evaluate street construction and repair costs.
- Provided on-going coordination with an outside auditing firm to study and analyze the City's accounting records related to medical insurance payments, payroll deductions, and clearing accounts.
- Provided on-going assistance to flowchart plan submittal processes in order to improve cash handling methods at the Planning and Development Services Department.